



CEP Discussion Paper No 943

July 2009

Theory of Values

Andreas Georgiadis and Alan Manning

Abstract

Economists have a well-developed theory of value but the theory of why people hold the values they do is rudimentary at best. In spite of the fact that it is common to argue that values are important, most work on values is normative and the positive theory of values is relatively under- developed. In this paper we propose a simple yet general way to think about values – they are about how one trades-off one own’s utility against that of others – and argue that we can draw on the large literature on pro-social behavior for hypotheses on how people will choose values. Then, using data from the UK’s Citizenship Survey we show how models of self-interest, fairness, reciprocity and identity, can explain many of the patterns that we observe in the data across a wide variety of values.

Keywords: Values, Pro-Social Behaviour

JEL Classifications: D63, Z13

This paper was produced as part of the Centre’s Labour Markets Programme. The Centre for Economic Performance is financed by the Economic and Social Research Council.

Acknowledgements

Andreas Georgiadis is a research economist in the Centre for Economic Performance’s Labour Markets Programme. Alan Manning is Director of CEP’s Labour Markets Programme at the London School of Economics.

Published by
Centre for Economic Performance
London School of Economics and Political Science
Houghton Street
London WC2A 2AE

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means without the prior permission in writing of the publisher nor be issued to the public or circulated in any form other than that in which it is published.

Requests for permission to reproduce any article or part of the Working Paper should be sent to the editor at the above address.

© A. Georgiadis and A. Manning, submitted 2009

ISBN 978-0-85328-408-6

Introduction

Economists have a well-developed theory of value but the theory of why people hold the values they do is rudimentary at best. Yet, values are widely thought to be important not just for the welfare of the people who hold them but for the welfare of others with whom they come in contact¹. Furthermore, there is evidence that values are changing in many contemporary societies (see, for example, Inglehart and Welzel, 2005). There is widespread, though not universal, concern that these changes are not for the better and that some action needs to be taken, though there is much less agreement about what this should be. To adequately deal with these questions we need a clear idea of what are values, why they are important and how people come to hold the values that they do. But much of the existing literature on the subject is vague on some or all of these points. In this paper we try to be clearer.

In this paper we view values as norms about how one should behave in a situation where there is a trade-off between one's own welfare and that of others. To give a specific example, consider a value which we analyze later in the paper "people should be free to say what they believe even if it offends others". If I want to say something some other will find offensive then presumably I would feel better expressing that view – 'better out than in' as it were. But if others find it offensive then presumably that is because they would be better off not hearing that view expressed. Whether or not I exhibit restraint affects the distribution of utility between me and the other. Most – though not all² - of what we think of as 'values' have this characteristic.

¹ For example, a popular textbook in political philosophy (Kymlicka, 2002, p285) writes that "the health and stability of a modern democracy depends, not only on the justice of its basic institutions, but also on the quality and attitudes of its citizens; e.g. their sense of identity, and how they view potentially competing forms of national, regional, ethnic, or religious identities; their ability to tolerate and work together with others who are different from themselves; their desire to participate in the political process..; their willingness to show self-restraint and exercise personal responsibility in their economic demands".

² There are exceptions – some value systems label some behaviours as 'wrong' even when they seem only to affect the individuals concerned – homosexual acts between consenting adults would be one example.

From this definition of ‘values’ it is simple to understand why they matter. If my actions affect the welfare of others, then there is an externality. The prevailing ‘values’ are likely to affect both the level and distribution of welfare in the economy. The natural inclination of economists might be to try to think of a ‘price’ mechanism to remedy the externality so that, for example, if I really want to say something you will find offensive, then, depending on property rights, I give you money to allow me to get it off my chest or you give me money to keep it inside. But, one can readily understand that there are many areas of human interaction where such a price mechanism cannot be thought to work and it is in precisely those areas where ‘values’ are used to regulate behaviour. These areas of human interaction are very important to people’s sense of well-being. One could go further and argue that ‘values’ may have consequences for purely economic outcomes. If I think you may say something that offends me I may be reluctant to enter into an economic relationship with you. The area most familiar to economists that uses this type of argument is about trust and trustworthiness – if the value is that you should be trustworthy i.e. not take every opportunity to benefit yourself at the expense of others, then others may be more likely to enter into an economic relationship with you (see, to give just a few references to an enormous literature, Coleman, 1990, Putnam, 1993, and Fukuyama, 1995).

The definition of ‘values’ that we propose also helps us to think about ‘theories of values’, why people hold the ‘values’ that they do. If people are irredeemably selfish then values could never get off the ground. But evidence from other areas e.g. attitudes to redistribution either in real economies or in experiments gives us guidance for how people seem to behave when faced with trade-offs between their own utility and that of others.

In the next section of the paper review the evidence on the extent and limits of pro-sociality. We then consider an application of the ideas to contemporary Britain, a society that

has become concerned in recent years that it has failed to foster appropriate values among some of its population³. Using data from the 2007 Citizenship Survey, we investigate how values are correlated with ethnicity, religion, identity, segregation and diversity, discrimination and economic success. We offer explanations, hedged with appropriate caution, for the correlations we observe.

Our main conclusions are the following. First, self-interest does seem to play a role in explaining values – generally a particular value benefits some more than others and the likely beneficiaries are more likely to be in favour of it. But, self-interest is not everything. In particular, we do seem to find support for ideas of ‘reciprocity’ – people who feel well-treated are more likely to be in favour of values that benefit others. Thirdly, identity is important – people are more likely to be in favour of values that benefit people who are in their ‘group’ whether that is defined by ethnicity, religion, nationality or locality.

We conclude this introduction with a health warning. We are acutely aware of the limitations of the present study and we outline them here. First, we do not have a clean research design – our empirical evidence is simply correlations so the best we can do is to claim that we are exploring associations in the data. Secondly, there are multiple potential explanations for many of these associations, which we do our best to outline though we would not make claims to completeness. Thirdly, the theoretical ideas that we use as the basis for our explanations are themselves hotly debated, debates we do not resolve here. Although we are aware of these problems, we do think our analysis has some value as the topic is so important yet so poorly understood. It is an early attempt to think about these questions, not the final one.

³ For example, in the British context, Gordon Brown gave a speech in 2006 on ‘The Future of Britishness’ - <http://www.fabians.org.uk/events/speeches/the-future-of-britishness>

1. Existing Literature

In this section we discuss the existing strands of literature on how people have the values that they do. The part of the social sciences that most directly discusses ‘values’ is probably political philosophy (see Kymlicka, 2002, for an accessible overview). Much – probably most – of this literature is essentially normative i.e. is concerned with a question like ‘what values should citizens hold for society to be just?’. A good example of influential work of this type would be Rawls’ ‘Theory of Justice’ (Rawls, 1999) who argued that the state (and citizens) should be neutral towards different conceptions of the ‘good life’ as long as those conceptions respected some basic principles of justice. A problem with these normative views is that they do not provide a compelling account of why and how citizens will hold these desirable values i.e. they lack a positive theory. For example Rawls (1999, p10) argued that his principles of justice were “the principles that free and rational persons concerned to further their own interests would accept in an initial position of equality as defining the fundamental terms of their association”, using his concept of the veil of ignorance to support this view. But, it is not clear why individuals who are not in a veil of ignorance should choose their values as if they were (that, in itself, is a principle which people might not hold), so such arguments are not entirely persuasive⁴. This problem has been recognized in more recent political philosophy – for example some of Rawls’ later work (Rawls, 1993) is much more concerned with the feasibility and stability of his conception of the ‘just society’, for example introducing the idea of ‘overlapping consensus’ that intolerant minorities might nonetheless support a policy of tolerance because they would otherwise be on the receiving end of discrimination. Nevertheless, it still strikes an outsider that

⁴ Konow (2003) provides a survey of which theories of justice seem to be regarded as valid by people, something that would seem to be necessary for a normative theory to become reality.

the ‘positive theory of values’ is rather undeveloped within political philosophy⁵. In addition there does not seem to be much in the way of evidence on the factors making people choose the values they have. For example, Kymlicka (2002, p368) concludes a chapter of multiculturalism by saying “it is not clear that philosophical speculation can contribute much here: we need to wait for more and better evidence”. It is to these areas that we hope to contribute in this paper.

There has been a resurgence in recent years among economists in understanding the ‘values’ that people have, based on the recognition that values are important for economic outcomes, work that might be subsumed under the broad heading of ‘cultural economics’ (see, for example, Guiso, Sapienza and Zingales, 2006, or Fernandez, 2008). Trust and trustworthiness have received the most attention though it is not clear whether that is because this is the most important value or because it is the one for which we have the most data. Interesting parts of this work have shown how values are commonly inherited from parents e.g. Algan and Cahuc (2009) show how the levels of trust among the children of immigrants in the United States is correlated with the general levels of trust in the countries from which their parents came and Fernandez and Fogli (2009) show how the work and fertility patterns of second-generation American women are influenced by the culture of the countries from which their parents came. Theoretical work as in Bisin and Verdier (2000), Bisin, Topa and Verdier (2004) and Corneo and Jeanne (2009) build models in which the attitudes of children are partly influenced by the values and socialization efforts of their parents and partly by the values prevalent in the wider community. This work is important and undoubtedly contains an important truth. But it does not really help us to understand where values come from in the first

⁵ Others within the economics tradition have also made this or a similar observation. For example, Binmore (1994, p42) writes “a fair social contract will therefore be an equilibrium in the game of morals, but what must never be forgotten is that it must also be an equilibrium in the *game of life* – otherwise it will not be viable”. However, most of these contributions are theoretical, whereas ours is empirical.

place⁶. For example, it is clear that attitudes towards women and homosexuality have changed dramatically in the past 50 years in western liberal democracies – but we do not have a way of understanding why these innovations in values first originated and why they gained significant levels of acceptance⁷.

In this paper we do not present a new ‘theory of values’ – rather our approach is to use our insight that values are norms about how one should behave in a situation where there is a trade-off between one’s own welfare and that of others, and to then draw on existing theories and evidence about such ‘other-regarding’ behaviour. The literature on ‘other-regarding’ behaviour is enormous, growing rapidly and has the feature that there is no consensus. Here we describe, in broad terms, the factors that researchers working in this area, have argued to be important.

The first is that ‘selfishness’ does play some role in explaining behaviour. In the current context, this means that we might expect people to support values that advantage them at the expense of others. This might seem an odd approach to take when we have argued that values are often about not putting yourself first, but, because they are phrased in anonymous terms, and will act as a constraint on the behaviour of others as well as oneself, it is possible to be a net beneficiary. For example, if discrimination by whites against blacks is more common than discrimination by blacks against whites, we might expect blacks to be more in favour than whites of the value ‘do not discriminate on the basis of race’, even though that value is race-neutral.

But, if everyone was irredeemably selfish, then most values would have no chance to get off the ground as, while everyone would love to impose values on others to the advantage of themselves, they would have no chance of success and would not follow the values that others

⁶ One exception is provided by the fascinating paper of Jha (2008) who argues that religious toleration in India is more common in towns that were medieval ports as there were larger gains from trade between Muslims and Hindus in such places and this led to the creations of institutions which had staying-power long after the original *raison d’être* had disappeared. This combines a persistence mechanism together with an account of where values came from in the first place.

⁷ Though see Inglehart and Welzel (2005) for attempts to explain the general shift in values.

seek to impose on them. Values as we know and understand them would probably not exist if everyone was always selfish. Fortunately for the present enquiry, we do have lots of evidence that the selfishness axiom is violated in many situations⁸. But there is much less agreement about when and why people behave in pro-social ways. Fehr and Schmidt (2006) provide a useful survey which we use to structure our discussion.

First, people may be altruistic, simply caring about the well-being of others. But, they may also be envious, being made worse-off by the well-being of others. The way in which the well-being of others affects one's own utility may vary with the person and the circumstances. One may be more altruistic towards the poor than the rich if one cares about the distribution of rewards or 'fairness' (Fehr and Schmidt, 1999; Bolton and Ockenfels, 2000, Charness and Rabin, 2002). Or, one's attitude to the other may be affected by their intentions towards you or how they have treated you. One special form that has received particular attention is reciprocity – that whether one is altruistic towards or envious of others depends on how they have behaved towards you - kindness is repaid with kindness and nastiness with nastiness (see, for example, Rabin, 1993)⁹. There is also accumulating evidence that the 'social situation' affects the extent and nature of other-regarding behaviour – see, for example, Levitt and List, 2007; List, 2009).

One other factor that emerges as importance in much research is that identity matters - 'other-regarding' behaviour is more marked towards members of a group with which one

⁸ One might argue that the selfishness axiom is violated because of the acceptance of 'values' that deem total selfishness inappropriate. But, these values can only exist because people can be persuaded to follow them, so that injunctions against selfishness do not fall on barren ground. For example, Kaplow and Shavell (2007) derive an optimal moral system in which induced feelings of guilt and virtue are used to motivate pro-social acts. But this system can only function if individuals care about guilt and virtue. Hauser (2006) argues that a 'moral capacity' is innate to the way our minds are constructed.

⁹ There is one final point to make that emerges from models of reciprocity. Even if an individual is totally selfish, they may support values that harm their own welfare relative to others if a failure to support would result in being punished by those who would benefit from the value. In a dictator game, a selfish first-mover is induced by the threat of a vindictive responder to offer the responder a non-zero share of the cake even if they do not care about the utility of the responder.

identifies (see, for example, the discussion in Putnam, 2007). One might be indifferent or envious towards members of ‘out-groups’. In this case, one would support values that are of benefit to those with whom one identifies, which might be defined along the lines of ethnicity, religion, nationality or neighbourhood.

We have done nothing more here than give a very brief overview of the main ways in which economists have tried to understand deviations from selfishness. What is new in our approach is to apply these insights to an understanding of why people support or oppose certain values. Our specific application is to the values held by people in contemporary Britain. This application is of interest not just because it is one possible source of information on the relevance of the ideas expressed in this section, but because there is a very active debate about whether or not the values held are desirable. Even if one concluded that they are not, one would not be able to decide how to improve things without some model of why people hold the values they do. The next section provides a more extensive discussion of the context.

2. Data

In contemporary Britain, there is serious concern about the ‘erosion of values’¹⁰. At the risk of caricature, it is a common view that the indigenous white population is being consumed by selfishness and materialism, and that immigration has imported into the UK cultures with very different values and that the official approach of tolerance and respect for all cultures has led to insufficient effort being put into changing those values with the result that the children of some immigrant groups are growing up very isolated from society. Events like the London bombings of 2005 have shocked people into thinking something has gone badly wrong. For

¹⁰ See, to give just a few examples, the articles by Henry Porter in the Observer in July 2006, by Billy Bragg in the Guardian in April 2007 and Michael Nazir-Ali, Bishop of Rochester in the Daily Telegraph of 29 May 2008 .

example, the chairman of the Commission for Racial Equality (the government body charged with fighting discrimination) argued in a TV interview that multiculturalism was leading to segregation, saying that “too many public authorities particularly [are] taking diversity to a point where they [are] saying, 'actually we're going to reward you for being different, we're going to give you a community centre only if you are Pakistani or African Caribbean and so on, but we're not going to encourage you to be part of the community of our town'”. The reaction has included not just a wringing of hands but also substantive changes to policy – immigrants becoming citizens now have to pass a test on language, culture and history designed to mould their values into those deemed appropriate¹¹. But, there is little in the way of quantitative evidence about the values actually held and that is what we try to provide.

Our strategy in very general terms is to regress values on a set of regressors chosen to be factors that we might expect to be associated with values on the basis of the theoretical considerations outlined in the previous section or the observations of commentators inside or outside academia - in spirit, our paper is similar to Alesina and La Ferrara (2002) who investigate the correlates with trust. The data we use in this paper is taken from England and Wales' 2007 Citizenship Survey (CS) administered by the Department for Communities and Local Government¹². This survey has been conducted (though under varying names) every two years since 2001. The sample is approximately 10,000 adults in England and Wales with an additional boost sample of 5,000 adults from minority ethnic groups which allows a large enough sample from those groups for statistical analysis. The survey asks questions about a wide range of issues, including race equality, faith, feelings about their community, identity, and various

¹¹ See <http://ukba.homeoffice.gov.uk/ukresidency/settlement/languageandlifeinuk/> for details of this.

¹² See <http://www.communities.gov.uk/communities/racecohesionfaith/research/citizenshipsurvey/> for more details.

measure of social capital. This survey owes its existence to the concerns outlined in the previous paragraph.

Sub-Samples

We mostly conduct our analysis separately for 3 sub-samples largely because the factors associated with supporting different values seem very different for them. The first sub-sample is the UK-born who describe their ethnicity as 'white British'. This is obviously the largest group in the population as a whole but, because the CS over-samples ethnic minorities they are under-represented in our analysis sample. Our second sample is non-white first-generation immigrants i.e. those born abroad. These are of interest because they may have come from cultures different from that of the white British norms and their integration into British society is seen as an important matter of public concern. Our third sample is the non-white British born – for the most part these will be the children of the second sub-sample. They are of particular interest because of fears that they adhere more closely to the culture of the countries from which their parents originated than to British values (see, for example, Algan and Cahuc, 2009, Fernandez and Fogli, 2009, for evidence pertinent to this). For the non-white ethnic groups we reduce the 13 categories in the original survey to 8 – Mixed, Indian, Pakistani, Bangladeshi, Black Caribbean, Black African, Chinese and Other. This is because sample sizes are very small for some of the other groups.

This way of dividing the sample does exclude white immigrants and the white UK-born who do not describe their ethnicity as 'white British'. We exclude them because they are a small part of the sample (under 5% - as there is no explicit boost sample for them) and because they are a very heterogeneous group comprising, for example, those of Irish origin (who we know from other work are very reluctant to adopt a British identity – see Manning and Roy,

2006), recent Eastern European immigrants and some Middle Eastern immigrants. Any inference about the outcomes for these groups are unreliable so we think it best to say nothing about them. Table 1 presents the proportions of the three sub-samples in our data and the weighted proportions (the weights being intended to reproduce the UK population as a whole).

Table 1 also presents some basic demographics. The white natives are older, on average than the immigrants who in turn are older than the UK-born minorities. The gender mix is similar. In terms of education both of the non-white sub-samples are more likely to have a degree but the immigrants are also more likely to have only foreign or no qualifications (see table A.1 in appendix A for a detailed coding of education). The ethnic mix of the foreign- and UK-born minorities is also different – the UK-born have more Black Caribbeans and more mixed race (who are mostly a Black-white mix). Recent immigrant groups like the Bangladeshis and Black Africans are under-represented in the UK born. In terms of religion 80% of the white natives report being Christian with 17% reporting no religion and very small numbers other religions. The minority sub-samples are more likely to have some religion but are also different in their type of religion – there being as many Muslims as Christians.

Independent Variables

On the right-hand side of the equations we estimate, we include the usual demographics (gender, age, education, and region) but we are particularly interested in variables which reflect factors that have been argued to be important in contemporary Britain, and which can be interpreted using the theoretical framework we sketched in the previous section. The factors we consider are:

- ethnicity
- religion

- identity
- English language proficiency
- Mixing
- Discrimination
- economic situation
- pro-sociality

Descriptive statistics on these variables are reported in Table 2. We now briefly summarize these variables and explain why they might be important in influencing values.

Ethnicity

There are several possible reasons why might ethnicity be associated with values? First, to the extent that some values disproportionately affect minorities, we might expect self-interest to play a role. Secondly, ethnicity may be associated with identity so affects the individual's in-group. Thirdly, we know from other research (e.g. Fernandez and Fogli, 2009 on female employment and Algan and Cahuc, 2009, on trust) that the behavior of immigrants and their children shows the traces of the customs and practices characteristic of the countries from which they came – if value systems have persistence we might expect to find evidence for this.

All of these are reasons why we include self-described ethnicity in our regressions. But, just because one is of a certain ethnicity, does not mean that forms a central part of one's identity. So, we also include variables which can be thought of measuring the intensity of ethnic identification as the more important is one's ethnicity to one's sense of identity the more likely one is to have values characteristic of that identity. The CS contains two such measures – there is a question which asks 'how important is your ethnic background to your sense of who you are' (IMPETH) and a variable (IMPFO) which asks a similar question about the country from

which the family came originally¹³. Table 3 shows the average values of these variables for our 3 sub-samples – both of the non-white sub-samples attach more importance to ethnicity with higher levels of importance for the UK-born non-whites than the immigrants. However, white natives do show quite high levels of both of these variables.

Religion

Religion might be expected to affect values for much the same reasons as ethnicity. We might expect to find a stronger relationship between values and religion than between values and ethnicity because most if not all religions seek to instill certain values – and some have argued those value systems to be very different (e.g. Huntington, 2002). We include controls for religion – the categories being Christian, Hindu, Muslim, Sikh, Other and None. We also have some controls that measure the intensity of religious identity – whether the religion is being actively practiced, the importance of religion to one’s sense of identity, and the importance of religion for where you live, where you work, who your friends are and what school you send your children to. We combine all of these measures into a single scale – IMPORTREL – which measures the importance of religion to the individual¹⁴. Table 2 shows that religion is least important to the white natives and most important for the non-white immigrants. There are significant differences in the importance of religion across religions – it is most important to Muslims (in line with the findings of Bisin et al, 2006) but there is not a clean division between them and others – Sikhs and Hindus lie between the Muslims and Christians in the importance of religion.

¹³ See Constant, Gataullina and Zimmermann (2008) for other ways of doing this.

¹⁴ Details of the construct of this and other composite measures can be found in Appendix A.

Identity

Akerlof and Kranton (2000) argued that individuals have a demand for identity and that membership of a particular group often requires certain norms of behaviour (that may be anti-social, especially towards ‘out-groups’). Many of these norms are essentially values about how to behave in interactions with people who are both in and out of the group. Generally the pro-social norms are stronger for the in-group so that we would expect identity to affect values to the extent that those values favour the in-group.

We have already discussed the measures of ethnic and religious identity but the CS also has other measures. We include as a variable NATIONID, a variable based on the response to the question ‘how strongly do you feel you belong to Britain?’ – responses are coded on a 4-point scale with 0 being ‘not at all strongly’ and 1 ‘very strongly’. Table 3 shows similar mean responses for all sub-samples. We also use a similar question on how strongly the respondent feels they belong to the local neighbourhood – we call this variable, NEIGHID. Table 3 again shows similar mean levels of this variable for our three sub-samples.

These two questions are about the individual’s sense of belonging. But, it is quite likely not to be just one’s own identity but how it is perceived by others that is important. For example, if whites do not see non-whites as British - so categorizing non-whites as part of an ‘out-group’ – we would expect this to have an effect on the values propounded by whites even if all the non-whites actually saw themselves as British. Hence, we use a question DUALID on whether the respondent thinks it is possible to belong to Britain and maintain a separate religious and cultural identity – this is a 4-point scale with 0 being ‘strongly disagree’ and 1 ‘strongly

agree’. Table 3 shows that non-whites are much more likely than whites to think that belonging to Britain is compatible with having a separate religious and cultural identity¹⁵.

Language Proficiency

It is commonly argued that language proficiency is critical in enabling people to be full citizens and enabling people to understand what are appropriate values. Policy changes in the UK in recent years have been directed towards ensuring that immigrants are sufficiently proficient to be able to hold down a job and mix with those outside their culture. The CS contains a number of variables relating to proficiency in English. We combine four such measures into a single composite measure ELANG¹⁶. As one would expect English proficiency is highest for white natives, followed by non-white natives and non-white immigrants. It is worth noting that very few non-white natives report any problem with English so, as one might expect, all language problems affect only the first generation of immigrants. In this context it is worth noting that there has been little or no dissent in the UK from the view that all education should be in English so bilingualism is not really an issue as it is in some other countries (see, for example, Aspachs-Bracons et al 2008a,b, or Angrist et al, 2008)

Segregation and Diversity

There has been considerable speculation about the effects of diversity and segregation on relationships between communities. The ‘contact’ hypothesis suggests that mixing makes one care more about the ‘other’ so might be expected to be associated with values that are more

¹⁵ We imagine that the whites do not see their own religious and cultural identity as incompatible with belonging to Britain – rather they see belonging to Britain as implying a particular set of cultural and religious practices that are, more or less, their own.

¹⁶ Unfortunately the routing of the questions does not ask about proficiency for those who speak English at home (and we assume they are proficient) even though there are, for example, well-known literacy problems among segments of the white native population.

beneficial to the ‘other’. On the other hand, the ‘conflict’ hypothesis suggests that proximity increases conflict over resources, leading to greater in-group solidarity and more out-group hostility. More recently, influential work by Putnam (2007) argued that there are lower levels of trust among all ethnic groups in diverse communities so that diversity is associated with social isolation.

The CS contains a number of variables related to diversity, segregation and mixing. First, there is a measure of the proportion of non-whites in the ward in which the respondent lives (PETHWARD) – this is only recorded as deciles across wards. This is hard data from the 2000 Census. As can be seen from Table 2, the non-white sub-samples are more likely to live in wards with many non-whites. The UK-born minorities are only marginally less segregated residentially than the immigrants.

Secondly there is a variable about perceptions of the ethnic mix in the local area (ETHAREA). This is a 4-point scale taking the value 0 if everyone is the same ethnicity as the respondent and 1 if less than half are the same ethnicity. Whites are more likely to live in an area with lots of the same ethnicity as one would expect.

These variables might be expected to reflect the opportunities for mixing but there are also some more direct questions about mixing. The variable MIXING is a single scale extracted from ten variables about the extent of mixing in different environments – details in the Appendix. Table 2 shows that white natives are least likely to have friends of a different ethnicity (perhaps not surprising given the proportions in the population) but that there is more mixing for non-white natives than non-white immigrants. In interpreting results of this variable it is important whether one thinks of mixing as unavoidable or a choice. The mixing questions ask about some domains (e.g. shops) where mixing is probably unavoidable if you live in an ethnically diverse community, but other domains (e.g. the home) where one has total control.

Mixing across different domains is strongly correlated so we prefer to think as this being a variable affected primarily by the nature of the local community rather than a choice variable of the individual.

Discrimination

As discussed in the previous section, we might expect that notions of fairness and reciprocity mean that the extent of pro-sociality in one own's value systems is influenced by how one feels one is treated by others. To try to capture this idea we include variables related to perceptions and experience of discrimination. We include three composite variables. The first, GOVDISCRIM, is a composite variable derived from the responses to questions on whether the respondent thinks one is treated worse, better or the same as people of other races by 15 public-sector organization from doctors, local councils through to the criminal justice system. Table 2 shows that non-whites are more likely than whites to think they will be treated worse but it is non-white natives who perceive this most. But, it is also worth noting that white natives also show a level of perceived discrimination not massively lower than non-white immigrants¹⁷.

The variable discussed above is about discrimination experienced or perceived by public-sector bodies. But it is also quite likely that how one is treated by other people in everyday interactions is important in influencing values. To capture this we use a variable, RESPECT, which is a composite variable constructed from responses to questions about whether one feels treated with respect in 4 settings. Table 2 shows generally high levels of respect but slightly higher among immigrants than both native sub-samples.

¹⁷ It is perhaps worth noting that there are differences across ethnic groups in the organizations perceived to treat them worse – blacks are especially likely to single out the police and criminal justice system, whites the housing authorities and local councils. Asians report discrimination fairly evenly spread across organizations.

The two variables related to discrimination discussed so far have both been about how any discrimination affects one's personal experiences. But it may also be the case that perceptions of general discrimination (even if not directed towards the self) are also associated with particular values. For example, if a sense of fairness motivates values then a belief in discrimination against some other group might lead one to support action to remedy that discrimination. So we construct a variable, GENDISCRIM, from responses to questions about the general level of discrimination in British society¹⁸. The responses to these questions are, unsurprisingly, correlated with the personal experiences but not perfectly. This can be seen from Table 2 where whites report similar levels of general discrimination to non-white natives – perhaps interestingly it is the non-white immigrants who report the lowest levels of discrimination in British society.

Economic Situation

Because many values affect the rich and poor differently, self-interest would suggest the rich and the poor might have different values. In addition, it is often argued that economic disadvantage (whether from discrimination or other causes) is a powerful source of disillusion. We include a variable, INCOME, which is a composite measure of the economic situation of the respondent and the material deprivation of the neighbourhood in which they live. Table 2 shows that, as expected, whites have higher levels of economic well-being than non-whites.

¹⁸ It should be noted that GENDISCRIM is much less congruent than other composite measures we use in the analysis. So, our findings of weak association between this variable and values may reflect the weakness of the measure rather than the weakness of the channel of association.

Pro-Sociality

We have discussed how ideas of reciprocity suggest that one's values might be affected by the extent of pro-social behaviour directed towards oneself by others. Accordingly we construct a variable, NEIGHPROSOC, to capture measures of pro-sociality in the neighbourhood using questions on vandalism, safety and neighbourhood cohesion. Table 2 shows the lowest levels for non-white natives.

We might also be interested in how measures of individual pro-sociality correlate with values. Accordingly we construct a measure, PROSOCIAL, derived from questions on volunteering, civic activity and charitable donations. Table 2 shows similar levels of pro-sociality for the two native sub-samples and a somewhat lower level for immigrants.

3. Results

We now turn to our analysis of the associations between the variables described above and the variables we treat as outcomes. We reiterate once more that these are correlations not causal effects and will try to be careful in interpreting the associations we find. One other general point of warning – it is tempting when looking over the results to be drawn to those coefficients that are significantly different from zero. But statistical significance is influenced by sample size and, for a given sample size, (loosely) by the variance of the variable. So more variables will tend to be significant in the white native sample than the non-white samples because the sample size is larger. And the 'Muslim' dummy will tend to be more significant than the 'Sikh' dummy because the proportion of Muslims is higher than that of Sikhs. So, one needs to look at the size of coefficients as well as their significance. There are a large number of variables in a large number of regressions in what follows – we try to structure our discussion of the results in the following way. We discuss which variables seem to have similar effects for our

three sub-samples and then which have different effects. We then offer an interpretation in terms of the framework we set out previously.

Toleration and Assimilation

Our first set of values relate to views on tolerance and mutual respect. The variable TOLERANCE, asks the extent to which the respondent agrees or disagrees with the statement “people should respect the culture and religious beliefs of others even when these oppose their own values” – responses are coded on a four-point scale with 0 being strongly disagree and 1 strongly agree. Table 3 shows that there is generally a high level of support for this value but the level of support is higher among non-whites. We also use a question, ASSIMILATION, on the extent to which the respondent agrees or disagrees with the statement “different ethnic and religious groups should adapt and blend into the larger society” – responses are coded on a four-point scale with 0 being strongly disagree and 1 strongly agree¹⁹. Table 3 shows that the level of support of this statement is higher among whites.

Regression results for these variables are reported in Table 4. In the final row we also report an estimate of the dependent variable using a reference individual that is the same for all three sub-samples except for ethnicity which must differ for the whites and non-whites. For the non-whites our reference person is an Indian though ethnicity effects turn out to often be rather small so our results are not very sensitive to that choice.

The first three columns of Table 4 show the results for the variable TOLERANCE. As one can see from the final row, the mean level of this variable adjusted for characteristics varies

¹⁹ In the CS half of the respondents are asked to report whether they agree or disagree with the ASSIMILATION statement (coded as VALS3 in CS) and the other half are asked to report the extent of agreement with the reverse statement i.e. “different ethnic and religious groups should maintain their customs and traditions” (coded as VALS4 in CS). Because one would logically expect that disagreement with the latter is likely to imply agreement with the former, the ASSIMILATION variable combines VALS3 and VALS4 with the coding of VALS4 reversed.

very little across our 3 sub-samples. The differences in the raw means reported in Table 3 is largely the result of the different ages – in all 3 sub-samples the old are less likely to believe that people should respect those from other cultures.

There are some other variables that have similar effects for all three sub-samples. Those who feel treated with respect are significantly more likely to support mutual respect and toleration. And those who believe it is possible to belong to Britain while maintaining a separate cultural and religious identity are more in favour of mutual respect.²⁰ More generally those who feel they belong to Britain are significantly more likely to believe in mutual respect and toleration. Also, those who mix more tend to believe in mutual respect. It is also worth noting that the other variables measuring local ethnic composition have coefficients that are not significantly different from zero.

Turning to the differences between our sub-samples, it is worth remarking that, among the white natives, those who feel discriminated against, those whose ethnic identity is important to them, the less well-educated, and the richer are significantly less likely to support mutual respect and toleration. This constellation of factors is one we will see repeated for many of the values variables – the image it conjures up is of white natives who are not well-educated, who feel that their culture (that is important to them) is threatened by others and that one consequence of current policies is discrimination against and neglect of the white majority who have been become strangers in their own land.²¹ For non-whites, those with a strong ethnic identity are

²⁰ There is obviously a close link between the dependent and independent variables here but they are not the same thing. If, for example, immigrants thought belonging to Britain was unimportant then whether their cultural identity is compatible with being British might be expected to be unconnected to their views on mutual toleration and respect.

²¹ It is likely that these individuals are the pool from which far-right political parties in the UK and elsewhere draw their support – see for example the opinion poll conducted for the 2009 European elections at http://www.channel4.com/news/media/2009/06/day08/yougovpoll_080609.pdf

more likely to believe in mutual respect . Muslims are more likely, and Sikhs less likely than those of other religions to favour mutual respect. Ethnicity does not appear to be very important.

Using the conceptual framework laid out earlier we would offer the following interpretation of these results. First, self-interest does seem to have some explanatory power. It is likely that minorities - especially those whose ethnic identity is important to them – have more to gain from mutual respect from the fact that they are a minority. On the other hand, members of the majority with a strong interest in their ethnic identity are less likely to be in favour of mutual respect as this does not ‘punish’ minority cultures. One could also argue that the Muslim effect comes from the threats they perceive to their identity so that this encourages them to support policies of mutual respect²².

But, fairness and reciprocity also seem important. Those who feel treated with respect are more likely to favour respecting others. And whites who feel discriminated against (a form of unfair treatment) are significantly more likely to oppose mutual respect. The fact that mixing is associated with greater mutual respect perhaps suggests that this fosters a wider ‘in-group’.

The last three columns of Table 4 show the results for the variable ASSIMILATION. The final row shows that the mean level of this variable adjusted for characteristics is not very different from the raw sample means reported in Table 3 – both non-white groups are less in favour of adapting and blending in than white natives and the second-generation are slightly less likely than the first-generation.

First, there are only a few variables that have similar and strong associations in all 3 sub-samples. The young, the less religious and those who believe it is possible to belong to Britain and maintaining a separate identity are less likely to think that minorities should blend in and

²² This is essentially an interpretation based on Rawls’ ‘overlapping consensus’ – it says nothing about whether Islam is a particularly tolerant or intolerant religion, something on which many commentators have very strong views.

adapt. Among white natives, one sees a similar pattern to that seen in the analysis of TOLERANCE – those with a strong ethnic identity, who feel they are discriminated against, the religious, those who do not mix with minorities the less educated and the rich are all more likely to think that minorities should adapt and blend in.

Among the non-whites, those who feel they belong to Britain, those who do not have a strong ethnic identity, who do not feel discriminated against, who speak English, and who live in pro-social neighbourhoods are more likely to think that minorities should adapt and blend in. Religion, ethnicity and the neighbourhood ethnic mix do not seem very important

Again, self-interest is a plausible interpretation of some of these patterns. Minorities generally would be expected to be hurt more by being required to adapt to the larger society so are less in favour of it. This is more so for those minorities who are more interested in maintaining their traditional culture, as evidenced by a strong ethnic identity. But one also sees fairness again – white natives who feel they are getting a raw deal are less in favour of a policy that would benefit minorities.

Equal Opportunities and Helping Others

Our next variable, EQUALOPPS, is from a question on the extent to which the respondent agrees or disagrees with the statement “government should make sure that all groups have the same opportunities” - responses are coded on a four-point scale with 0 being strongly disagree and 1 strongly agree. Table 3 shows generally high levels of support with this principle but a higher level of support among non-whites. Regressions with EQUALOPPS as dependent variable are reported in the first three columns of Table 5. As one can see from the final row, the mean level of this variable adjusted for characteristics varies modestly across our 3 sub-samples – though the support for equal opportunities is highest among non-white immigrants.

There are some variables which have similar effects in all three sub-samples – the young, those who feel they are treated with respect, those who believe it is possible to belong to Britain and maintain a separate cultural identity and those who exhibit pro-social behavior themselves are all factors associated with being more in favour of the government assuring equal opportunities. For whites, the educated, the poor, those who feel they belong to Britain, those who mix, the less religious are all factors associated with being more likely to support equal opportunities. For the non-white sub-samples those with a strong ethnic identity and those who feel discriminated against by public-sector organizations are more likely to be in favour of equal opportunities. Again, many variables e.g. ethnicity, religion and the ethnic composition of the neighbourhood do not have strong associations with the belief in equal opportunities.

The last three columns of Table 5 consider the variable HELPING, that measures the extent to which the respondent believes one should behave in a pro-social way – it is from a question on the extent to which the respondent agrees or disagrees with the statement “individuals should take responsibility for helping other people in their local community” - responses are coded on a four-point scale with 0 being strongly disagree and 1 strongly agree. Whereas EQUALOPPS is about the rights individuals should possess, HELPING is more about responsibilities. Table 3 shows generally high levels of support for this principle with only slight variation across the sub-samples. The adjusted means in the bottom row of the last three columns of Table 5 show similar and high levels of support, it being slightly higher among the non-white sub-samples.

Among the variables that are positively associated with this value is feeling respected, the sense of belonging to Britain, the belief that one belongs to Britain while having a separate cultural identity, the belief that one belongs to the neighbourhood, level of pro-sociality (a very strong association), being poor and, rather weakly, the old. Turning to the differences there are

strong ethnicity effects for the non-whites, with Indians, both foreign and UK-born being more likely to support helping others – though the differences from Pakistanis and Bangladeshis are only significant for the UK-born. Those with a strong ethnic identity, and the more educated are more likely to believe in helping others. Those who think there is a lot of general discrimination are less likely to believe in helping others. For the whites those who do not mix and who feel discriminated against are less likely to believe in helping others.

Using the conceptual framework laid out earlier we would offer the following interpretation of these results. First, self-interest does seem to have some explanatory power e.g. it is likely that minorities have more to gain from equal opportunity policies. But, fairness and reciprocity also seem important. Those who feel treated with respect are more likely to favour equal opportunity policies and those who feel they are discriminated against are more likely to believe in helping others.

Free Speech

Table 6 presents our results related to two variables that measure attitudes to the limits of free speech. We use two measures related to freedom of speech in our data. The first, FREESPEECH1, asks the extent to which the respondent agrees or disagrees with the statement “people should be free to say what they believe even if it offends others” – responses are coded on a four-point scale with 0 being strongly disagree and 1 strongly agree. Secondly we have a question, FREESPEECH2, on whether the respondent thinks there is too little, enough or too much free speech in Britain today with -1 being too little, 0 enough and 1 too much. Table 3 present sample means for these variables for our three sub-samples. It can be seen that white natives are more likely to think offensive free speech is acceptable, while both non-white samples have similar views. On whether the current extent of freedom of speech is too much or

too little, the raw averages reveal a dissatisfaction among the UK-born whites and non-whites about the freedom of speech as they tend to support that the freedom of speech in the UK is too little whereas the immigrants seem satisfied with the current extent of freedom of speech.

The first 3 columns of Table 6 use FREESPEECH1 as a dependent variable and the last three FREESPEECH2. First, consider the results relating to the variable FREESPEECH1. Considering the variables with common associations in all three sub-samples, the old, men, those without a religion, those in areas where they are a minority, the less-educated and the poor are all associated with a belief in offensive free speech. Among the non-whites, Muslims (and, to a lesser but still significant extent, Hindus and Sikhs), are less in favour of offensive free speech as are those for whom religion is important. For whites those who feel discriminated against, those who do not feel they belong to Britain but do belong to their neighbourhood are all associated with more support for offensive free speech.

The last three columns of Table 6 report the results for FREESPEECH2, whether there is too little or too much free speech in contemporary Britain. Here there are big differences in the adjusted sample means with whites thinking there is too little, non-white immigrants too much and the non-white UK-born in between. The factors associated with the extent of free speech are similar to the previous three columns and in most of the times appear to have the same sign across the three sub-samples. In particular, the young, those who feel they belong to Britain, the less religious, the less educated, the poor as well as those who think they are discriminated against and who believe that neighbours are acting prosocially tend to think that there is too little free speech in Britain.

To try to interpret these results, it is useful to have some awareness of the recent debates about the appropriate limits of free speech in the UK. These have mostly been about the right to offend religions in general or Islam in particular. The examples that spring to mind (and

probably do in the minds of respondents) are the Rushdie affair from 1989 and the Danish cartoons affair of 2005. In terms of legislation, the most recent changes to the law have been the 2006 Racial and Religious Hatred Act, which made it an offence to stir up hatred against someone on the grounds of their religion (prior legislation having covered race) and the repealing of the archaic anti-blasphemy law that theoretically provided special protection to Christian sensibilities but in practice meant very little.

Given this background it is natural to think that the religious in general and Muslims in particular would seem as potential victims of an unrestricted right to free speech. Hence a self-interest model would predict the religious to be more against free speech – this is what we find in the data. But we also find some support for the fairness model – whites who feel discriminated against and do not feel they belong are more likely to be in favour of offensive free speech.

Summary

The regressions reported above include all regressors without interactions among them. We did, however, explore some specifications which allowed the associations to be different for different groups. In particular, we divided the non-white samples into Muslims and non-Muslims, and the white native sample into those living in areas with a high proportion of minorities and those in other areas. Our general conclusion is that the differences between these sub-samples were not sufficiently significant to justify the extra length detailed description of these results would add to the paper.

The questions we have considered do not cover the full range of values that have been argued to be important for society but do cover a reasonable range – the limits of free speech, the extent of mutual toleration, the extent to which immigrants should blend into the wider society and the extent and role of the individual and government in helping people overcome problems.

We would argue that self-interest does have some predictive power but is a long way from being the only important factor. In particular, fairness and reciprocity, especially towards those with whom one shares a common identity seem important in understanding values. In particular, the segment of the white population that feels unfairly treated and that they no longer feel part of Britain seem to have values that are hostile to minorities who they perceive as being treated especially well by contemporary Britain.

To make this point even more clearly, Table 7 presents results for two more variables which measure the extent to which minorities should become like the white majority. The first is ALLEGLISH on whether you think that ‘everyone should speak English’ is one of the five most important values for living in Britain. This variable is interesting because economic self-interest probably means that low-skill white natives would be hurt if more immigrants could speak English as that would heighten competition they face in the labour market. But imposing a burden on minorities might be what is supported if one wanted to hurt the group. Table 3 and the adjusted means in the bottom row of Table 7 show similar levels of support between the whites and the immigrants but much less support of ALLEGLISH for the non-white UK-born with disagreement between the former two groups and the latter being more pronounced for the whole sample than for the reference individual. But, among the white natives those with a strong sense of ethnic identity, who live in poor minority areas but don’t mix much, who are not educated, who feel treated worse and discriminated against, who do not feel they belong are much more likely than other whites to think everyone should speak English. The same is true for PATRIOTISM , i.e. saying that ‘pride in country/patriotism’ is one of the five most important values for living in Britain. It is this group of white natives that seems to be most readily identifiable in the data across all the values that we have investigated.

4. Conclusions

In this paper we have investigated the values that people hold. Although it is a commonplace to argue that values are important, we do not have an entirely satisfactory way of thinking about what makes people hold the values that they do - much of the writing on the topic is almost entirely normative. In this paper we have argued that it makes sense to think of values as being about how one trades off one's own utility against that of others (though expressed in an anonymous form) so is a measure of pro-sociality. We then argue that the much wider literature about how people behave when faced with such trade-offs can be brought to bear on the subject of how people choose the values they do. In particular, we have argued that self-interest, fairness and reciprocity and sense of identity are all likely to be important.

Our empirical application is to the UK, a society currently experiencing a certain level of angst about the values of its population in general and some groups in particular. Our findings say something about that angst – on the whole we do not find evidence of very significant or irreconcilable differences between individuals of different ethnicities or religions. Nor do we find any very large effects of the ethnic composition of the local neighbourhood per se (perhaps in contrast to the findings of Putnam, 2007, for the effect of diversity in the US on trust) though identity is often important and a companion paper (Georgiadis and Manning, 2009) finds significant links between diversity and identity. But we do argue that the patterns we observe in the data can be interpreted as partly reflecting self-interest e.g. ethnic minorities are more in favour of mutual toleration and equal opportunities, but also partly reflecting fairness and reciprocity. In particular, one result that stands out is that a section of the white population feel neglected and treated unfairly and that these groups have values that would be to the disadvantage of minority communities.

We feel we should conclude with a health warning. Our empirical investigations are nothing but a set of correlations in which the division between dependent and independent variables might often seem arbitrary. But, we think this largely goes with the territory as it is very hard to find clearly exogenous variation in the variables of interest. We do think that the importance of the subject matter in contemporary societies means that it is better to present something than nothing. But we would hope this is the first word and not the final word on what has largely been a neglected topic – why do people hold the values they do?

Table 1: Descriptive Statistics for Demographics

Variable	White British	Non-white Immigrants	Non-white British-born
Age	47.65	41	30.3
Female	0.52	0.47	0.51
Married/cohabiting	0.65	0.64	0.38
Education	3.03	3.13	3.56
<i>Ethnicity</i>			
White	1	0	0
Mixed	0	0.04	0.15
Indian	0	0.26	0.24
Pakistani	0	0.13	0.2
Bangladeshi	0	0.068	0.047
Black Caribbean	0	0.08	0.18
Black African	0	0.17	0.06
Chinese	0	0.04	0.03
Other ethnicity	0	0.18	0.08
<i>Religion</i>			
Christian	0.8	0.32	0.36
Buddhist	0.002	0.03	0.006
Hindu	0.0003	0.17	0.1
Jewish	0.004	0.001	0.0005
Muslim	0.001	0.34	0.31
Sikh	0	0.05	0.08
Other religion	0.02	0.02	0.03
No religion	0.17	0.05	0.1
Sample size (unweighted)	7842	3935	1596
Unweighted proportion	0.58	0.29	0.12
Weighted proportion	0.91	0.058	0.026

Notes: Descriptive statistics are weighted averages computed using individual sampling weights.

Table 2: Descriptive Statistics for the Independent Variables

Variable	White British	Non-white Immigrants	Non-white British-born
IMPETH: Importance of ethnic background to your sense of who you are	0.63	0.8	0.8
IMPFO: Importance of family's origin to your sense of who you are	0.68	0.78	0.7
IMPORTREL: Importance of religion	0.24	0.47	0.4
ELANG: English Proficiency	1.99	1.44	1.9
PETHWARD: Decile of the proportion of non-whites in the ward	5	9	8.8
ETHAREA: Perception of the proportion of people of the same ethnicity in the local area	0.32	0.81	0.78
MIXING: Mixing with people from different ethnic and religious groups	0.34	0.57	0.64
GOVDISCRIM: Discrimination by government organizations	1.96	2.07	2.16
RESPECT: Extent individual feels is treated with respect	0.8	0.81	0.8
GENDISCRIM: Discrimination in society	1.83	1.7	1.85
INCOME: Economic situation	2.43	1.88	1.91
NATIONID: Belonging to Britain	0.78	0.76	0.75
DUALID: Belonging to Britain and maintain a separate cultural and religious identity	0.52	0.72	0.7
NEIGHID: Belonging to local area	0.66	0.66	0.66
NEIGHPROSOC: Neighbours prosociality	2.34	2.3	2.15
PROSOCIAL: Own prosociality	0.11	0.08	0.1

Notes: Descriptive statistics are weighted averages computed using individual sampling weights. Higher values are associated with (stronger) support of relevant statements/questions, see appendix A for a detailed variable coding. IMPORTREL, ELANG, MIXING, GOVDISCRIM, RESPECT, GENDISCRIM, INCOME, NATIONID, NEIGHID, NEIGHPROSOC, AND PROSOCIAL are summated scales defined also in appendix A (see tables A.2-A.12).

Table 3: Descriptive Statistics for the Dependent Variables

Variable	White British	Non-white Immigrants	Non-white British-born
<i>Dependent variables</i>			
TOLERANCE: People should respect the culture and religious beliefs of others even when these oppose their own values	0.72	0.8	0.8
ASSIMILATION: Different ethnic and religious groups should adapt and blend into the larger society	0.54	0.49	0.48
EQUALOPPS: Government should make sure that all groups have the same opportunities	0.8	0.9	0.89
HELPING: Individuals should take responsibility for helping other people in their local community	0.76	0.81	0.77
FREESPEECH1: People should be free to say what they believe even if it offends others	0.61	0.5	0.48
FREESPEECH2: Whether thinks that there is too little, enough or too much freedom of speech in Britain today	-0.26	0.06	-0.21
ALLENGLISH: Everyone should speak English	0.36	0.32	0.21
PATRIOTISM: Pride in country/patriotism	0.24	0.09	0.10

Notes: Descriptive statistics are weighted averages computed using individual sampling weights. Higher values are associated with (stronger) support of relevant statements/questions, see appendix A (table A.1)

Table 4: Results for Mutual Respect and Assimilation

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable	People should respect the culture and religious beliefs of others even when these oppose their own values			Different ethnic and religious groups should adapt and blend into the larger society		
<i>Independent variables</i>	White British	Non-white Immigrants	Non-white British-born	White British	Non-white Immigrants	Non-white British-born
Age	-0.008*** (0.003)	-0.009** (0.004)	-0.009 (0.007)	0.011*** (0.002)	0.006 (0.003)	0.0001 (0.007)
Female	0.004 (0.007)	-0.019** (0.009)	-0.008 (0.012)	-0.023*** (0.006)	0.003 (0.008)	-0.016 (0.013)
Mixed ethnicity		-0.006 (0.023)	-0.043 (0.032)		0.021 (0.022)	0.001 (0.032)
Pakistani		-0.031 (0.018)	-0.021 (0.026)		-0.011 (0.017)	0.034 (0.027)
Bangladeshi		-0.010 (0.021)	0.004 (0.033)		-0.031 (0.023)	0.029 (0.034)
Black Caribbean		-0.037 (0.022)	-0.034 (0.033)		0.010 (0.021)	0.013 (0.033)
Black African		-0.025 (0.018)	-0.102** (0.042)		0.018 (0.017)	0.048 (0.039)
Chinese		0.026 (0.028)	0.012 (0.048)		0.010 (0.027)	-0.022 (0.053)
Other ethnicity		-0.024 (0.016)	0.010 (0.036)		0.012 (0.015)	0.023 (0.034)
IMPETH	-0.024** (0.011)	0.047** (0.021)	0.063** (0.029)	0.025** (0.011)	-0.045** (0.019)	-0.048 (0.027)
IMPFO		-0.003 (0.019)	0.015 (0.025)		0.011 (0.019)	-0.016 (0.024)
non-Christian	0.014 (0.019)			-0.018 (0.018)		
Hindu		-0.020 (0.017)	-0.030 (0.034)		0.008 (0.017)	0.019 (0.033)
Muslim		0.035** (0.015)	0.021 (0.029)		-0.018 (0.014)	-0.018 (0.030)
Sikh		-0.065** (0.026)	-0.061 (0.035)		0.006 (0.022)	0.012 (0.036)
other religion		0.021 (0.020)	0.027 (0.033)		-0.009 (0.020)	0.015 (0.033)
No religion	0.004 (0.009)	-0.026 (0.026)	-0.014 (0.026)	-0.009 (0.009)	0.020 (0.021)	-0.049 (0.027)
IMPORTREL	0.018 (0.016)	0.014 (0.020)	0.036 (0.026)	-0.033** (0.016)	-0.031 (0.020)	-0.034 (0.029)
ELANG		-0.010 (0.008)			0.032*** (0.007)	
PETHWARD	0.0001 (0.002)	-0.001 (0.004)	0.001 (0.005)	-0.001 (0.001)	-0.003 (0.004)	0.001 (0.006)

ETHAREA	0.002 (0.005)	-0.001 (0.006)	0.009 (0.007)	-0.002 (0.005)	-0.005 (0.006)	0.005 (0.007)
MIXING	0.095*** (0.017)	0.012 (0.023)	0.104*** (0.033)	-0.035** (0.015)	0.027 (0.021)	0.055 (0.037)
GOVDISCRIM	-0.045*** (0.015)	0.003 (0.023)	0.028 (0.029)	0.086*** (0.014)	0.023 (0.022)	-0.068** (0.031)
RESPECT	0.078*** (0.028)	0.075** (0.033)	0.098** (0.048)	-0.034 (0.025)	0.005 (0.032)	-0.093 (0.049)
GENDISCRIM	-0.025** (0.010)	-0.013 (0.011)	-0.015 (0.016)	0.037*** (0.009)	-0.012 (0.011)	-0.016 (0.018)
Education	0.005*** (0.002)	-0.002 (0.002)	0.003 (0.003)	-0.006*** (0.002)	0.004 (0.002)	-0.002 (0.003)
INCOME	-0.009** (0.005)	-0.006 (0.007)	-0.013 (0.010)	0.009** (0.005)	0.006 (0.007)	0.023** (0.011)
NATIONID	0.064*** (0.019)	0.078*** (0.025)	0.089** (0.035)	-0.012 (0.017)	0.042 (0.023)	0.113*** (0.034)
DUALID	0.161*** (0.014)	0.070*** (0.018)	0.133*** (0.026)	-0.134*** (0.012)	-0.071*** (0.017)	-0.049 (0.026)
NEIGHID	-0.016 (0.015)	-0.019 (0.020)	-0.037 (0.025)	0.022 (0.013)	0.008 (0.018)	-0.038 (0.025)
NEIGHPROSOC	0.012 (0.008)	0.022** (0.009)	-0.018 (0.014)	0.001 (0.007)	-0.004 (0.009)	-0.034** (0.015)
PROSOCIAL	0.073 (0.044)	0.080 (0.066)	-0.019 (0.072)	-0.013 (0.042)	0.072 (0.061)	-0.099 (0.079)
Asked vals3 question				0.443*** (0.006)	0.569*** (0.008)	0.537*** (0.012)
R-squared	0.090	0.048	0.091	0.543	0.646	0.604
Obs	5361	2977	1413	5328	2902	1375
Fitted value for reference individual	0.74 (0.013)	0.76 (0.02)	0.74 (0.03)	0.3 0.01	0.24 0.02	0.22 0.03

Notes: Robust standard errors in parentheses, ** significant at 5%, *** significant at 1%. The dependent variable in specifications (4), (5) and (6) pools together responses to “different ethnic and religious groups should adapt and blend into the larger society” (coded as VASL3 in CS) with the “different ethnic and religious groups should maintain their customs and traditions” (coded as VALS4 in CS) with higher values being associated with more agreement with VALS3 and more disagreement with VALS4, as half of the original sample was asked VALS3 and the other half VALS4 and this is why a dummy for whether asked VALS3 is also included in these specifications. Regional dummies were also included in all specifications. Importrel, elang, mixing, govdiscrim, respect, gendiscrim, income, nationid, neighid, neighprosoc, prosocial are summated scales defined in appendix A (see tables A.2-A.12). Fitted values for the reference individual were computed using the same values for all independent variables across the three subsamples (sample mean values were used for continuous variables and the category value closer to the sample mean value for categorical variables) with religion set to “Christian” and ethnicity for non-whites being “Indian”.

Table 5: Results for Equal Opportunities and for Helping Others

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable	Government should make sure that all groups have the same opportunities			Individuals should take responsibility for helping other people in their local community		
<i>Independent variables</i>	White British	Non-white Immigrants	Non-white British-born	White British	Non-white Immigrants	Non-white British-born
Age	-0.003 (0.002)	-0.006** (0.003)	-0.019*** (0.005)	0.004 (0.002)	0.006 (0.003)	0.006 (0.007)
Female	0.003 (0.006)	-0.012 (0.006)	0.010 (0.009)	-0.003 (0.006)	0.007 (0.008)	0.021 (0.012)
Mixed ethnicity		-0.039** (0.019)	0.022 (0.025)		-0.045** (0.021)	-0.050 (0.029)
Pakistani		-0.006 (0.012)	0.001 (0.019)		0.001 (0.016)	-0.068*** (0.022)
Bangladeshi		0.012 (0.015)	-0.002 (0.027)		-0.001 (0.020)	-0.099*** (0.033)
Black Caribbean		-0.022 (0.016)	-0.004 (0.026)		-0.042** (0.020)	-0.085*** (0.030)
Black African		-0.017 (0.013)	-0.004 (0.030)		-0.033** (0.016)	-0.051 (0.035)
Chinese		-0.021 (0.022)	-0.061 (0.047)		-0.034 (0.029)	-0.039 (0.038)
Other ethnicity		-0.031*** (0.012)	-0.005 (0.030)		-0.024 (0.014)	-0.084** (0.033)
IMPETH	-0.001 (0.010)	0.032** (0.015)	0.076*** (0.022)	0.018 (0.010)	0.045** (0.018)	0.027 (0.025)
IMPFO		0.011 (0.014)	0.002 (0.018)		0.018 (0.015)	0.042 (0.021)
non-Christian	0.013 (0.017)			0.030** (0.015)		
Hindu		-0.002 (0.013)	-0.014 (0.028)		0.012 (0.016)	-0.030 (0.031)
Muslim		-0.007 (0.010)	0.013 (0.023)		0.020 (0.014)	0.041 (0.027)
Sikh		-0.048** (0.019)	0.032 (0.027)		0.008 (0.019)	-0.022 (0.033)
other religion		-0.007 (0.016)	-0.003 (0.025)		0.008 (0.020)	-0.002 (0.039)
No religion	0.017** (0.008)	-0.010 (0.019)	-0.017 (0.020)	-0.011 (0.008)	0.015 (0.023)	0.0001 (0.024)
IMPORTREL	-0.048*** (0.015)	-0.018 (0.014)	-0.004 (0.020)	0.027** (0.013)	-0.010 (0.018)	0.015 (0.026)
ELANG		0.002 (0.006)			0.014 (0.007)	
PETHWARD	0.002 (0.001)	0.002 (0.003)	0.004 (0.004)	0.001 (0.001)	-0.002 (0.003)	0.002 (0.005)

ETHAREA	-0.0001 (0.005)	0.005 (0.004)	0.008 (0.006)	-0.008 (0.004)	-0.0001 (0.005)	0.011 (0.008)
MIXING	0.057*** (0.015)	-0.009 (0.016)	0.008 (0.025)	0.035** (0.014)	0.033 (0.020)	0.009 (0.032)
GOVDISCRIM	-0.016 (0.014)	0.037** (0.017)	0.038 (0.022)	-0.031*** (0.012)	-0.011 (0.019)	0.031 (0.026)
RESPECT	0.033 (0.024)	0.061*** (0.023)	0.087** (0.034)	0.076*** (0.023)	0.075*** (0.029)	0.084 (0.047)
GENDISCRIM	-0.005 (0.008)	-0.016** (0.008)	-0.009 (0.011)	-0.001 (0.008)	-0.020** (0.010)	-0.022 (0.016)
Education	0.003** (0.002)	0.003 (0.002)	0.005 (0.003)	0.0001 (0.001)	0.004** (0.002)	0.005 (0.003)
INCOME	-0.023*** (0.004)	-0.009 (0.005)	-0.006 (0.007)	-0.014*** (0.004)	-0.023*** (0.006)	-0.0001 (0.009)
NATIONID	0.059*** (0.016)	0.013 (0.016)	0.007 (0.023)	0.033** (0.015)	0.065*** (0.021)	0.043 (0.033)
DUALID	0.115*** (0.012)	0.080*** (0.013)	0.072*** (0.019)	0.069*** (0.011)	0.037** (0.015)	0.065*** (0.025)
NEIGHID	0.021 (0.013)	-0.010 (0.013)	0.011 (0.018)	0.075*** (0.012)	0.028 (0.017)	0.054** (0.025)
NEIGHPROSOC	-0.003 (0.007)	0.011 (0.006)	0.002 (0.010)	-0.007 (0.007)	0.011 (0.008)	-0.027** (0.012)
PROSOCIAL	0.092** (0.038)	0.116*** (0.042)	0.116** (0.051)	0.294*** (0.035)	0.203*** (0.051)	0.267*** (0.070)
R-squared	0.062	0.049	0.089	0.065	0.058	0.090
Obs	5407	3009	1434	5388	2992	1411
Fitted value for reference individual	0.81 (0.01)	0.9 (0.01)	0.83 (0.03)	0.75 (0.01)	0.82 (0.01)	0.8 (0.03)

Notes: Robust standard errors in parentheses, ** significant at 5%, *** significant at 1%. Importrel, elang, mixing, govdiscrim, respect, gendiscrim, income, nationid, neighid, neighprosoc, prosocial are summated scales defined in appendix A (see tables A.2-A.12). Fitted values for the reference individual were computed using the same values for all independent variables across the three subsamples (sample mean values were used for continuous variables and the category value closer to the sample mean value for categorical variables) with religion set to “Christian” and ethnicity for non-whites being “Indian”.

Table 6: Results for Freedom of Speech

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable	People should be free to say what they believe even if it offends others			Is there too little, enough or too much freedom of speech in Britain today		
<i>Independent variables</i>	White British	Non-white Immigrants	Non-white British-born	White British	Non-white Immigrants	Non-white British-born
Age	0.007** (0.003)	0.002 (0.005)	0.018 (0.010)	0.020*** (0.007)	0.019** (0.009)	0.039** (0.019)
Female	-0.056*** (0.008)	-0.024 (0.013)	-0.044** (0.017)	0.007 (0.018)	-0.006 (0.021)	0.034 (0.036)
Mixed ethnicity		0.016 (0.035)	0.067 (0.043)		-0.017 (0.065)	-0.201** (0.088)
Pakistani		-0.011 (0.027)	0.013 (0.037)		0.005 (0.047)	-0.112 (0.077)
Bangladeshi		-0.003 (0.034)	0.063 (0.055)		-0.041 (0.058)	-0.097 (0.107)
Black Caribbean		-0.009 (0.031)	0.020 (0.044)		-0.142** (0.055)	-0.157 (0.087)
Black African		-0.019 (0.027)	0.003 (0.056)		0.045 (0.044)	0.056 (0.109)
Chinese		0.021 (0.040)	0.136** (0.066)		0.093 (0.066)	-0.111 (0.141)
Other ethnicity		-0.006 (0.023)	0.034 (0.046)		0.040 (0.039)	-0.156 (0.096)
IMPETH	0.018 (0.014)	0.055 (0.028)	0.047 (0.038)	-0.038 (0.030)	-0.0001 (0.048)	-0.139 (0.075)
IMPFO		0.041 (0.027)	-0.006 (0.033)		-0.028 (0.046)	-0.082 (0.068)
non-Christian	0.028 (0.023)			-0.053 (0.055)		
Hindu		-0.048 (0.026)	-0.008 (0.049)		0.009 (0.042)	-0.061 (0.095)
Muslim		-0.065*** (0.021)	-0.098** (0.040)		-0.045 (0.037)	0.014 (0.086)
Sikh		-0.112*** (0.035)	-0.010 (0.048)		0.0001 (0.055)	0.039 (0.099)
other religion		-0.018 (0.031)	0.089 (0.046)		0.017 (0.053)	0.004 (0.098)
No religion	0.035*** (0.011)	0.048 (0.034)	0.058 (0.035)	-0.094*** (0.024)	-0.183*** (0.059)	-0.005 (0.068)
IMPORTREL	-0.016 (0.020)	0.011 (0.029)	0.090** (0.039)	0.058 (0.043)	0.028 (0.050)	0.108 (0.077)
ELANG		-0.002 (0.012)			0.007 (0.019)	
PETHWARD	-0.001 (0.002)	-0.0001 (0.006)	0.003 (0.007)	0.006 (0.004)	-0.015 (0.009)	0.013 (0.015)
ETHAREA	-0.010	-0.021***	-0.008	-0.006	0.002	0.009

	(0.006)	(0.008)	(0.010)	(0.014)	(0.014)	(0.024)
MIXING	-0.038	0.016	0.032	0.033	0.034	-0.041
	(0.021)	(0.033)	(0.048)	(0.045)	(0.056)	(0.100)
GOVDISCRIM	0.052***	-0.039	-0.123***	-0.073	-0.133**	-0.002
	(0.018)	(0.032)	(0.039)	(0.041)	(0.060)	(0.082)
RESPECT	0.049	0.046	-0.036	-0.019	0.200**	0.348**
	(0.033)	(0.048)	(0.068)	(0.070)	(0.085)	(0.136)
GENDISCRIM	0.020	0.009	-0.028	-0.023	-0.055**	-0.048
	(0.012)	(0.017)	(0.024)	(0.025)	(0.028)	(0.048)
Education	-0.002	-0.008***	-0.018***	0.018***	0.015***	0.017
	(0.002)	(0.003)	(0.005)	(0.005)	(0.005)	(0.009)
INCOME	-0.028***	-0.025**	-0.014	0.044***	0.020	0.056**
	(0.006)	(0.010)	(0.013)	(0.013)	(0.019)	(0.028)
NATIONID	-0.079***	0.054	0.020	0.236***	0.172***	0.203**
	(0.021)	(0.035)	(0.048)	(0.047)	(0.058)	(0.098)
DUALID	0.008	0.026	0.025	0.015	-0.013	-0.036
	(0.016)	(0.025)	(0.037)	(0.034)	(0.043)	(0.071)
NEIGHID	0.036**	0.006	-0.035	-0.022	-0.045	-0.002
	(0.018)	(0.029)	(0.037)	(0.039)	(0.049)	(0.077)
NEIGHPROSOC	0.0001	0.036***	0.003	0.054**	0.010	0.012
	(0.010)	(0.013)	(0.020)	(0.021)	(0.022)	(0.039)
PROSOCIAL	-0.017	-0.096	0.009	-0.082	-0.016	-0.354
	(0.052)	(0.093)	(0.105)	(0.117)	(0.169)	(0.234)
R-squared	0.030	0.033	0.077	0.034	0.046	0.073
Obs	5341	2938	1403	5392	2963	1407
Fitted value for reference individual	0.58	0.52	0.5	-0.2	0.12	-0.03
	(0.01)	(0.03)	(0.04)	(0.03)	(0.05)	(0.1)

Notes: Robust standard errors in parentheses, ** significant at 5%, *** significant at 1%. Importrel, elang, mixing, govdiscrim, respect, gendiscrim, income, nationid, neighid, neighprosoc, prosocial are summated scales defined in appendix A (see tables A.2-A.12). Fitted values for the reference individual were computed using the same values for all independent variables across the three subsamples (sample mean values were used for continuous variables and the category value closer to the sample mean value for categorical variables) with religion set to “Christian” and ethnicity for non-whites being “Indian”.

Table 7: Results for Importance of English Language and Patriotism

	(1)	(2)	(3)	(4)	(5)	(6)
Dependent variable	Everyone should speak English			Pride in country/patriotism		
<i>Independent variables</i>	White British	Non-white Immigrants	Non-white British-born	White British	Non-white Immigrants	Non-white British-born
Age	0.00298 (0.00529)	0.00263 (0.00736)	0.0281** (0.0118)	0.00826 (0.00459)	0.00312 (0.00428)	0.0277*** (0.00801)
Female	-0.0679*** (0.0136)	-0.000182 (0.0177)	-0.0150 (0.0226)	-0.0421*** (0.0122)	-0.0106 (0.0105)	-0.0244 (0.0158)
Mixed ethnicity		0.0652 (0.0512)	-0.0110 (0.0560)		0.0115 (0.0293)	-0.0275 (0.0325)
Pakistani		-0.0229 (0.0381)	0.112** (0.0616)		0.0132 (0.0242)	0.0275 (0.0450)
Bangladeshi		-0.00255 (0.0470)	0.0502 (0.0864)		-0.0342 (0.0237)	-0.0383 (0.0453)
Black Caribbean		0.106** (0.0467)	-0.00580 (0.0577)		-0.00523 (0.0236)	-0.0612 (0.0287)
Black African		0.0909** (0.0383)	0.108 (0.0838)		-0.0163 (0.0191)	-0.0393 (0.0330)
Chinese		0.101 (0.0659)	-0.0296 (0.0882)		-0.0287 (0.0293)	-0.0729 (0.0297)
Other ethnicity		0.0865*** (0.0338)	0.0199 (0.0681)		-0.00471 (0.0175)	-0.0277 (0.0338)
IMPETH	0.114*** (0.0227)	-0.0581 (0.0388)	-0.0494 (0.0458)	0.157*** (0.0204)	-0.0110 (0.0229)	0.00394 (0.0332)
IMPFO		0.0406 (0.0373)	0.0128 (0.0403)		0.000680 (0.0221)	0.0166 (0.0309)
non-Christian	-0.00879 (0.0387)			-0.0630 (0.0311)		
Hindu		0.0703 (0.0376)	-0.0342 (0.0575)		0.0133 (0.0210)	-0.0493 (0.0278)
Muslim		0.0125 (0.0294)	-0.118** (0.0466)		-0.0206 (0.0172)	-0.0955*** (0.0311)
Sikh		0.0677 (0.0512)	-0.0509 (0.0578)		0.0355 (0.0333)	-0.0572 (0.0265)
other religion		-0.0111 (0.0418)	-0.0482 (0.0557)		0.0295 (0.0283)	-0.00281 (0.0391)
No religion	-0.0244 (0.0188)	-0.124*** (0.0416)	-0.0497 (0.0352)	-0.0760*** (0.0155)	-0.0443 (0.0219)	-0.0443 (0.0219)
IMPORTREL	-0.0247 (0.0330)	-0.0333 (0.0394)	-0.119** (0.0488)	-0.0269 (0.0289)	-0.0182 (0.0229)	0.0195 (0.0328)
ELANG		-0.0102 (0.0165)			0.0331*** (0.0103)	
PETHWARD	0.00722** (0.00327)	-0.0117 (0.00775)	0.00350 (0.00930)	0.00167 (0.00291)	-0.00472 (0.00443)	0.00523 (0.00609)
ETHAREA	0.00668	-0.00721	0.00994	-0.00767	0.000858	-0.00216

	(0.0103)	(0.0114)	(0.0140)	(0.00903)	(0.00688)	(0.00960)
MIXING	-0.193***	-0.00102	-0.00622	-0.0681**	-0.0495	-0.0419
	(0.0340)	(0.0460)	(0.0610)	(0.0298)	(0.0278)	(0.0417)
GOVDISCRIM	0.203***	-0.141***	-0.0219	0.194***	0.00828	0.00338
	(0.0306)	(0.0423)	(0.0487)	(0.0269)	(0.0251)	(0.0367)
RESPECT	-0.0933	0.0444	-0.0295	-0.128***	-0.0420	0.0756
	(0.0515)	(0.0644)	(0.0848)	(0.0445)	(0.0381)	(0.0631)
GENDISCRIM	0.0742***	0.0329	0.0517	0.0391**	-0.0258**	0.0202
	(0.0186)	(0.0218)	(0.0299)	(0.0168)	(0.0128)	(0.0205)
Education	-0.0140***	-0.0106**	-0.00150	-0.00356	0.00302	0.00175
	(0.00359)	(0.00432)	(0.00606)	(0.00319)	(0.00246)	(0.00429)
INCOME	0.0318***	0.00829	-0.0112	0.0231***	0.00160	-0.00214
	(0.00975)	(0.0144)	(0.0171)	(0.00847)	(0.00803)	(0.0121)
NATIONID	-0.0865***	0.0828	0.0716	-0.0436	0.0540	0.0690
	(0.0337)	(0.0471)	(0.0592)	(0.0298)	(0.0291)	(0.0420)
DUALID	-0.219***	-0.106***	0.0604	-0.0962***	0.00535	-0.0453
	(0.0242)	(0.0321)	(0.0437)	(0.0215)	(0.0207)	(0.0274)
NEIGHID	0.0101	0.0105	-0.0236	0.00526	-0.00260	0.000637
	(0.0288)	(0.0385)	(0.0452)	(0.0255)	(0.0237)	(0.0322)
NEIGHPROSOC	0.0440***	-0.0411**	-0.0346	0.00638	-0.0100	-0.00228
	(0.0159)	(0.0179)	(0.0241)	(0.0141)	(0.0107)	(0.0181)
PROSOCIAL	-0.0152	-0.0302	-0.271	0.00320	0.183***	0.0522
	(0.0897)	(0.132)	(0.140)	(0.0789)	(0.0727)	(0.0944)
Pseudo R-squared	0.065	0.026	0.054	0.055	0.041	0.054
Obs	5441	3027	1434	5441	3027	1434
Fitted value for reference individual	0.33	0.33	0.27	0.24	0.14	0.25
	(0.02)	(0.04)	(0.07)	(0.02)	(0.03)	(0.08)

Notes: Estimates presented are probit marginal effects, robust standard errors in parentheses, ** significant at 5%, *** significant at 1%. Regional dummies were also included in all specifications. Importrel, elang, mixing, govdiscrim, respect, gendiscrim, income, nationid, neighid, neighprosoc, prosocial are summated scales defined in appendix A (see tables A.2-A.12). Fitted values for the reference individual were computed using the same values for all independent variables across the three subsamples (sample mean values were used for continuous variables and the category value closer to the sample mean value for categorical variables) with religion set to “Christian” and ethnicity for non-whites being “Indian”.

References

- Akerlof, George and Rachel Kranton (2000) “Economics and Identity”, Quarterly Journal of Economics, 115, 715-753.
- Alesina, Alberto and Eliana La Ferrara (2002) “Who Trusts Others?”, Journal of Public Economics, 87, 207-234.
- Algan, Yann and Cahuc, Pierre (2009) “Civic Culture and the Design of Labor Market institutions”, American Economic Journal.
- Angrist, Joshua, A, Aimee Chin and Ricardo Godoy (2008) “Is Spanish-only schooling responsible for the Puerto Rican language gap?”, Journal of Development Economics.
- Aspachs-Bracons, Oriol, Irma Clots-Figueras and Paolo Masella (2008a) “Compulsory Language Educational Policies and Identity Formation”, Journal of the European Economic Association, 6.
- Aspachs-Bracons, Oriol, Irma Clots-Figueras and Paolo Masella (2008b) “The Effect of Language at School on Identity and Political Outlooks”, unpublished.
- Binmore, Ken (1994) “Game Theory and the Social Contract Volume I: Playing Fair”, Cambridge, MA.: MIT Press.
- Bisin, Alberto, Eleonora Patacchini, Thierry Verdier and Yves Zenou (2006) “‘Bend It Like Beckham’: Identity, Socialization and Assimilation”, CEPR Discussion Paper No. 5662..
- Bisin, Alberto and Thierry Verdier (2000) “Beyond the Melting Pot: Cultural transmission, Marriage and the Evolution of Ethnic and Religious Traits”, Quarterly Journal of Economics, 115, 955-988.
- Bisin, Alberto, Giorgio Topa and Thierry Verdier (2004) “Religious Intermarriage and Socialization in the United States”, Journal of Political Economy, 112, 615-664.
- Bolton, Gary E and Axel Ockenfels (2000) “ERC: A Theory of Equity Reciprocity and Competition”, American Economic Review, 90, 166-196.
- Charness, Gary and Matthew Rabin (2002) “Understanding Social Preferences with Simple Tests”. Quarterly Journal of Economics, 117, 817–869.
- Coleman, John (1990) Foundations of Social Theory, Cambridge MA: Harvard University Press.
- Constant Amelie, Liliya Gataullina, and Klaus F. Zimmermann (2008) “Ethnosizing Immigrants”, forthcoming, Journal of Economic Behavior and Organization.
- Corneo, Giacomo and Olivier Jeanne (2009) “A Theory of Tolerance”, Journal of Public Economics, in press.

- Fehr, Ernst and Klaus Schmidt (1999) “A Theory of Fairness, Competition and Cooperation”, Quarterly Journal of Economics, 114, 817-868.
- Fehr, Ernst and Klaus Schmidt (2006) “The Economics of Fairness, Reciprocity and Altruism- Experimental Evidence and New Theories”, in the Handbook of Giving, Altruism and Reciprocity, edited by Serge-Christophe Kolm and Jean Mercier Ythier.
- Fernandez, Raquel (2008) “Culture and Economics”, in The New Palgrave Dictionary of Economics, 2nd Edition.
- Fernandez, Raquel and A. Fogli (2009) “Culture: An Empirical Investigation of Beliefs, Work, and Fertility”, American Economic Journal: Macroeconomics, 1, 146-177.
- Fukuyama, Francis (1995) Trust, New York: Free Press.
- Georgiadis, Andreas and Alan Manning (2009) “One Nation Under a Groove? Multiculturalism in Britain”, LSE CEP Discussion Paper, No. 944, July 2009..
- Green, Hazel and Christine Farmer (2004) 2003 Home Office Citizenship Survey: Technical Report, London: Office for National Statistics.
- Guiso, Luigi, Paola Sapienza and Luigi Zingales (2006) “Does Culture Affect Economic Outcomes?”, Journal of Economic Perspectives, 20, 23-48.
- Hauser, Marc (2006) Moral Minds: How Nature Designed Our Universal Sense of Right and Wrong, New York: Ecco/Harper Collins Publishers.
- Henrich, Joseph, Robert Boyd, Samuel Bowles, Colin Camerer, Ernst fehr and Herbert Gintis (2004) Foundations of Human Sociality: Economic Experiments and Ethnographic Evidence from Fifteen Small-Scale Societies, Oxford: Oxford University Press.
- Huntington, Samuel (2002) The Clash of Civilizations: And the Remaking of World Order, New York: Free Press.
- Huntington, Samuel (2004) Who Are We? America’s Great Debate, New York: Free Press.
- Inglehart, Ronald and Christian Welzel (2005) Modernization, Cultural Change and Democracy, Cambridge: Cambridge University Press.
- Jha, Saumitra (2008) “Trade, Institutions and Religious Tolerance: Evidence from India”, Stanford University Graduate School of Business Research Paper no, 2004.
- Kaplow, Louis and Steen Shavell (2007) “Moral Rules, the Moral Sentiments and Behavior: Toward a Theory of an Optimal Moral System”, Journal of Political Economy, 115, 494-514.
- Konow, James (2003) “Which is the Fairest One of All? A Positive Analysis of Justice Theories”, Journal of Economic Literature, 41, 1188-1239.

Kymlicka, Will (2002) Contemporary Political Philosophy: An Introduction.

Levitt, Steven D and John A List (2007) “What Do Laboratory Experiments Measuring Social Preferences Reveal About the Real World?”, Journal of Economic Perspectives, 21, 153-174.

List, John A (2009) “Introduction to Field Experiments in Economics,” Journal of Economic Behavior and Organization, forthcoming.

Manning, Alan and Sanchari Roy (2006) “Culture Clash or Culture Club? The Identity and Attitudes of Immigrants in Britain”, CEP Discussion Paper No. 790.

Michaelson, Juliet, Kevin Pickering, Natasha Wood and Shaun Scholes (2006) 2005 Home Office Citizenship Survey: Technical Report, London: Office for National Statistics.

Putnam, Robert D. (1993) Making Democracy Work, Princeton, NJ: Princeton University Press.

Putnam, Robert D. (2007) “E Pluribus Unum: Diversity and Community in the Twenty-first Century”, Scandinavian Political Studies, 30, 137-174.

Rabin, Matthew (1993) “Incorporating Fairness into Game Theory and Economics”. American Economic Review, 83, 1281–1302.

Rawls, John (1993) Political Liberalism, Cambridge Mass.: Harvard University Press.

Rawls, John (1999) Theory of Justice, 2nd edition, Cambridge Mass.: Harvard University Press.

APPENDIX A: Details of Construction of Composite Variables

Table A1: Variable definitions

Variables	Scale	Coding
ALLENGLISH: Everyone should speak English	Binary	1: yes, 0: no
ASSIMILATION: Different ethnic and religious groups should adapt and blend into the larger society	4-point	1: strongly agree, 0: strongly disagree
DUALID: Extent to which agrees that one can belong to Britain and maintain a separate cultural and religious identity	4-point	1: strongly agree, 0: strongly disagree
EDUCATION	4-point	6: degree or equivalent, 0: no qualification
EQUALOPPS: Government should make sure that all groups have the same opportunities	4-point	1: strongly agree, 0: strongly disagree
ETHAREA: Perception of the proportion of people of the same ethnicity in the local area	4-point	1: less than a half, 0: all the same
FREESPEECH1: People should be free to say what they believe even if it offends others	4-point	1: strongly agree, 0: strongly disagree
FREESPEECH2: Whether thinks that there is too little, enough or too much freedom of speech in Britain today	3-point	1: too much, -1: too little
HELPING: Individuals should take responsibility for helping other people in their local community	4-point	1: strongly agree, 0: strongly disagree
IMPETH: Importance of ethnic background to your sense of who you are	4-point	1: very important, 0: not important at all
IMPFO: Importance of family's origin to your sense of who you are	4-point	1: very important, 0: not important at all
PATRIOTISM: Pride in country/patriotism	Binary	1: yes, 0: no
PETHWARD: Proportion of non-whites in the ward	10-point	10: highest density, 1: lowest density
TOLERATION: People should respect the culture and religious beliefs of others even when these oppose their own values	4-point	1: strongly agree, 0: strongly disagree

Summated Scales

The following tables include detailed information about the construction of summated scales used as independent variables in our regressions. Each summated scale is computed as the average of the underlying single indicators (items) used to construct it. In particular, we reversed the coding of items where appropriate so that higher values of all items are associated with higher values of the scale (in this way the scale takes only positive values). Higher values of scales are associated with more or stronger support with the relevant statement (construct) the scale represents, e.g. higher values for the scale ELANG ("English Proficiency") imply better command of English, higher values of GENDISCR imply more discrimination in society, higher values of GOVDISCRIM are associated with more discrimination by government institutions and so forth.

Table A.2: Summated Scale for Proficiency in English, Items Information and Cronbach's Alpha

Summated scale	Items used in scale construction	Item Coding	Item Means			Alpha
			<i>White British</i>	<i>Non-white Immigrants</i>	<i>Non-white British-born</i>	
ELANG: English Proficiency	ENGHOME: Whether English is the main language spoken at home	Binary; 1: yes, 0: no	1	0.5	0.87	0.81
	Reading: English Reading level	5-point; 1: very good, 0: cannot read English	1	0.9	1	
	SPEAKING: English speaking level	4-point; 1: very good, 0: poor	1	0.87	1	
	WRITING: English writing level	5-point; 1: very good, 0: cannot write English	1	0.88	1	

Notes: Item means are computed using individual sampling weights.

Table A.3: Summated Scale for Discrimination in Society, Items Information and Cronbach's Alpha

Summated scale	Items used in scale construction	Item Coding	Item Means			Alpha
			<i>White British</i>	<i>Non-white Immigrants</i>	<i>Non-white British-born</i>	
GENDISCRIM: Discrimination in society	RELINC: Religious prejudice in Britain today compared to five years ago	3-point; 1: more, 0: less	0.8	0.71	0.8	0.51
	RELPREJ: Extent of religious prejudice in Britain today	4-point; 1: a lot, 0: none	0.68	0.62	0.75	
	SRESPECT: Extent to which agrees that the local area is a place where residents respect ethnic differences between people	4-point; 1: definitely disagree, 0: definitely agree	0.35	0.3	0.34	
	STOGETH: Extent to which agrees that local area is a place where people from different backgrounds get on well together	4-point; 1: definitely disagree, 0: definitely agree	0.35	0.31	0.35	

Notes: Item means are computed using individual sampling weight

Table A.4: Summated Scale for Discrimination by Government Institutions

Summated scale	Items used in scale construction	Item Coding	Item Means			Alpha
			<i>White British</i>	<i>Non-white Immigrants</i>	<i>Non-white British-born</i>	
GOVDISCRIM: Discrimination by government organizations	<i>How would you be treated from the following public organizations:</i>					0.86
	RDIS01: A local doctor's surgery	3-point; 1: worse than other races, 0: better than other races	0.5	0.5	0.5	
	RDIS02: A local hospital	3-point; 1: worse than other races, 0: better than other races	0.5	0.51	0.51	
	RDIS03: The health service generally	3-point; 1: worse than other races, 0: better than other races	0.5	0.51	0.53	
	RDIS04: A local school	3-point; 1: worse than other races, 0: better than other races	0.49	0.51	0.53	
	RDIS05: The education system generally	3-point; 1: worse than other races, 0: better than other races	0.49	0.52	0.56	
	RDIS06: A council housing department or housing association	3-point; 1: worse than other races, 0: better than other races	0.61	0.55	0.57	
	RDIS07: A local council	3-point; 1: worse than other races, 0: better than other races	0.54	0.52	0.55	
	RDIS08: A private landlord	3-point; 1: worse than other races, 0: better than other races	0.35	0.54	0.56	
	RDIS09: The courts	3-point; 1: worse than other races, 0: better than other races	0.49	0.54	0.61	
	RDIS10: The Crown Prosecution Service	3-point; 1: worse than other races, 0: better than other races	0.48	0.54	0.61	
	RDIS11: The police	3-point; 1: worse than other races, 0: better than other races	0.48	0.54	0.61	
	RDIS12: Your local police specifically	3-point; 1: worse than other races, 0: better than other races	0.42	0.58	0.68	
	RDIS13: The immigration authorities	3-point; 1: worse than other races, 0: better than other races	0.45	0.56	0.63	
	RDIS14: The Prison Service	3-point; 1: worse than other races, 0: better than other races	0.41	0.56	0.64	
	RDIS15: The Probation Service	3-point; 1: worse than other races, 0: better than other races	0.41	0.58	0.66	

Notes: Item means are computed using individual sampling weights

Table A.5: Summated Scale for the Importance of Religion

Summated scale	Items used in scale construction	Item Coding	Item Means			Alpha
			<i>White British</i>	<i>Non-white Immigrants</i>	<i>Non-white British-born</i>	
IMPORTREL: Importance of religion	IMPREL: Importance of religion to your sense of who you are	4-point; 1: very important, 0: not important at all	0.45	0.8	0.7	0.75
	RELACT: Whether actively practicing religion	Binary; 1: yes, 0: no	0.24	0.73	0.54	
	RELFRI: Extent to which agrees that religion affects who your friends are	Binary; 1: strongly agree, 0: strongly disagree	0.17	0.29	0.28	
	RELLIV: Extent to which agrees that religion affects where you live	Binary; 1: strongly agree, 0: strongly disagree	0.2	0.36	0.31	
	RELSCH: Extent to which agrees that religion affects what school you send your children to	Binary; 1: strongly agree, 0: strongly disagree	0.32	0.29	0.33	
	RELWRK: Extent to which agrees that religion affects where you work	Binary; 1: strongly agree, 0: strongly disagree	0.15	0.26	0.23	

Notes: Item means are computed using individual sampling weights

Table A.6: Summated Scale for Economic Situation

Summated scale	Items used in scale construction	Item Coding	Item Means			Alpha
			<i>White British</i>	<i>Non-white Immigrants</i>	<i>Non-white British-born</i>	
INCOME: Economic Situation	INDEP: Index of deprivation in ward ²³	10-point; 1: least deprived; 0: most deprived	0.53	0.32	0.33	0.4
	LOGY: Natural logarithm of equivalised household income	Continuous; Measured in £000	1.67	1.31	1.2	
	NOINCOM: Whether respondent has no income	Binary; 1: no, 0: yes	0.97	0.92	0.92	
	OWNRENT: Type of accommodation	3-point; 1: own occupier, 0: social housing	0.8	0.62	0.71	
	WORK: Whether household head is in work	Binary; 1: yes, 0: no	0.65	0.66	0.69	

Notes: Item means are computed using individual sampling weights

²³ See <http://www.communities.gov.uk/communities/neighbourhoodrenewal/deprivation/deprivation07/> for details of how this is computed.

Table A.7: Summated Scale for Mixing with People from Different Cultural and Religious Groups

Summated scale	Items used in scale construction	Item Coding	Item Means			Alpha
			<i>White British</i>	<i>Non-white Immigrants</i>	<i>Non-white British-born</i>	
MIXING: Mixing with people from different ethnic and religious groups	MXCLUB: Frequency of social mixing with people from other ethnic / religious groups at a club/organisation	6-point; 1: daily, 0: never	0.32	0.45	0.57	0.87
	MXFRIENDS: Proportion of friends of the same ethnic group	6-point; 1: daily, 0: never	0.19	0.47	0.6	
	MXFVOL: Frequency of social mixing with people from other ethnic / religious groups in formal volunteering	6-point; 1: daily, 0: never	0.44	0.6	0.62	
	MXHOME: Frequency of social mixing with people from other ethnic / religious groups at respondent's home	6-point; 1: daily, 0: never	0.31	0.53	0.65	
	MXIVOL: Frequency of social mixing with people from other ethnic / religious groups in informal volunteering	6-point; 1: daily, 0: never	0.22	0.53	0.55	
	MXNURS: Frequency of social mixing with people from other ethnic / religious groups at child's crèche/nursery	6-point; 1: daily, 0: never	0.37	0.67	0.7	
	MXPUB: Frequency of social mixing with people from other ethnic / religious groups at a pub/cafe	6-point; 1: daily, 0: never	0.38	0.47	0.59	
	MXSHOP: Frequency of social mixing with people from other ethnic / religious groups at shops	6-point; 1: daily, 0: never	0.5	0.74	0.76	
	MXWORK: Frequency of social mixing with people from other ethnic / religious groups at work	6-point; 1: daily, 0: never	0.63	0.82	0.9	
	MXWORSH: Frequency of social mixing with people from other ethnic / religious groups at a place of worship	6-point; 1: daily, 0: never	0.17	0.49	0.4	

Notes: Item means are computed using individual sampling weights

Table A.8: Summated Scale for Strength of Belonging to Britain

Summated scale	Items used in scale construction	Item Coding	Item Means			Alpha
			<i>White British</i>	<i>Non-white Immigrants</i>	<i>Non-white British-born</i>	
NATIONID: Belonging to Britain	BELBRIT: Strength of feeling of belonging to Britain	4-point; 1:very strongly, 0: not at all strongly	0.76	0.75	0.72	0.66
	FEELBRIT: Extent to which agrees that feels a part of British Society	4-point; 1: strongly agree, 0: strongly disagree	0.81	0.78	0.78	

Notes: Item means are computed using individual sampling weights

Table A.9: Summated Scale for Belonging to Neighbourhood/Local Area

Summated scale	Items used in scale construction	Item Coding	Item Means			Alpha
			<i>White British</i>	<i>Non-white Immigrants</i>	<i>Non-white British-born</i>	
NEIGHID: Belonging to local area	BELLOC: Strength of feeling of belonging to local area	4-point; 1:very strongly, 0: not at all strongly	0.64	0.64	0.65	0.77
	BELNEIGH: Strength of feeling of belonging to immediate neighborhood	4-point; 1:very strongly, 0: not at all strongly	0.68	0.68	0.68	

Notes: Item means are computed using individual sampling weights

Table A.10: Summated Scale for Neighbours Prosociality

Summated scale	Items used in scale construction	Item Coding	Item Means			Alpha
			<i>White British</i>	<i>Non-white Immigrants</i>	<i>Non-white British-born</i>	
NEIGHPROSOC: Neighbours prosociality	ABANDON: How much of a problem in the local area are abandoned cars	4-point; 1: not a problem at all, 0: very big problem	0.86	0.81	0.8	0.83
	DRUGS: How much of a problem in the local area are people using/dealing drugs	4-point; 1: not a problem at all, 0: very big problem	0.65	0.62	0.53	
	DRUNK: How much of a problem in the local area are people being drunk	4-point; 1: not a problem at all, 0: very big problem	0.66	0.64	0.59	
	NOISE: How much of a problem in the local area are noisy neighbours	4-point; 1: not a problem at all, 0: very big problem	0.81	0.76	0.72	
	RUBBISH: How much of a problem in the local area is rubbish lying around	4-point; 1: not a problem at all, 0: very big problem	0.6	0.6	0.53	
	SPULL: Extent to which agrees that people in this neighbourhood pull together to improve the neighbourhood	1: definitely agree, 0: definitely disagree	0.59	0.6	0.53	
	SSAFE: How safe would you feel walking alone in this neighbourhood after dark	1: very safe, 0: very unsafe	0.67	0.63	0.64	
	TEEN: How much of a problem in the local area are teenagers hanging around	4-point; 1: not a problem at all, 0: very big problem	0.64	0.68	0.64	
	VANDAL: How much of a problem in the local area is vandalism/graffiti	4-point; 1: not a problem at all, 0: very big problem	0.86	0.81	0.8	

Notes: Item means are computed using individual sampling weights

Table A.11: Summated Scale for Own Prosociality

Summated scale	Items used in scale construction	Item Coding	Item Means			Alpha
			<i>White British</i>	<i>Non-white Immigrants</i>	<i>Non-white British-born</i>	
PROSOCIAL: Own prosociality	CHGROUP: Whether give money to charity in the past 4 weeks	Binary; 1: yes, 0: no	0.77	0.68	0.74	0.82
	CIVACT: Whether engaged in any civic activity in the last 12 months	Binary; 1: yes, 0: no	0.09	0.07	0.12	
	EMPVOL: Whether involved in any employer volunteering scheme in the last 12 months	Binary; 1: yes, 0: no	0.55	0.57	0.62	
	EMPVOFT: Frequency of employer volunteering in the last 12 months	3-point; 1: at least once a week, 0: less often than once a month	0.23	0.28	0.2	
	FGROUP: Whether involved in formal volunteering during the last 12 months	Binary; 1: yes, 0: no	0.43	0.32	0.45	
	FUNPD: Whether given any unpaid help during the last 12 months	Binary; 1: yes, 0: no	0.66	0.62	0.7	
	FUNOFT: Frequency of unpaid help in the last 12 months	3-point; 1: at least once a week, 0: less often than once a month	0.5	0.44	0.46	
	INHELP: Whether involved in informal volunteering during the last 12 months	Binary; 1: yes, 0: no	0.64	0.54	0.68	
	INHELPOFT: Frequency of informal volunteering in the last 12 months	3-point; 1: at least once a week, 0: less often than once a month	0.39	0.38	0.39	
	PTRUST: Trust in people in general	3-point; 1: people can be trusted, 0: can't be too careful	0.43	0.32	0.31	
	STRUST: How many of the people in the neighbourhood can be trusted	4-point; 1: many, 0: none	0.77	0.64	0.62	

Notes: Item means are computed using individual sampling weights

Table A.12: Summated Scale for the Extent the Individual is Treated with Respect

Summated scale	Items used in scale construction	Item Coding	Item Means			Alpha
			<i>White British</i>	<i>Non-white Immigrants</i>	<i>Non-white British-born</i>	
RESPECT: Extent individual feels is treated with respect	REHEAL: Extent to which feels is treated with respect when using health services	5-point; 1: all the time, 0: never	0.83	0.83	0.82	0.73
	REPUB: Extent to which feels is treated with respect at public transport	5-point; 1: all the time, 0: never	0.73	0.77	0.73	
	RESHOP: Extent to which feels is treated with respect when shopping	5-point; 1: all the time, 0: never	0.77	0.81	0.79	
	REWORK: Extent to which feels is treated with respect at work	5-point; 1: all the time, 0: never	0.84	0.83	0.84	
Notes: Item means are computed using individual sampling weights						

CENTRE FOR ECONOMIC PERFORMANCE
Recent Discussion Papers

942	Kristian Behrens Giordano Mion Yasusada Murata Jens Südekum	Trade, Wages and Productivity
941	David Marsden Richard Belfield	Institutions and the Management of Human Resources: Incentive Pay Systems in France and Great Britain
940	Elhanan Helpman Oleg Itskhoki Stephen Redding	Inequality and Unemployment in a Global Economy
939	Norman Ireland Robin A. Naylor Jeremy Smith Shqiponja Telhaj	Educational Returns, Ability Composition and Cohort Effects: Theory and Evidence for Cohorts of Early-Career UK Graduates
938	Guy Mayraz Jürgen Schupp Gert Wagner	Life Satisfaction and Relative Income: Perceptions and Evidence
937	Nicholas Bloom Raffaella Sadun John Van Reenen	The Organization of Firms Across Countries
936	Jean-Baptiste Michau	Unemployment Insurance and Cultural Transmission: Theory and Application to European Unemployment
935	João M. C. Santos-Silva Silvana Tenreyro	Trading Partners and Trading Volumes: Implementing the Helpman-Melitz-Rubinstein Model Empirically
934	Christian Morrisson Fabrice Murtin	The Century of Education
933	João M. C. Santos-Silva Silvana Tenreyro	Further Simulation Evidence on the Performance of the Poisson Pseudo-Maximum Likelihood Estimator
932	João M. C. Santos-Silva Silvana Tenreyro	On the Existence of the Maximum Likelihood Estimates for Poisson Regression
931	Richard Freeman John Van Reenen	What If Congress Doubled R&D Spending on the Physical Sciences?
930	Hector Calvo-Pardo Caroline Freund Emanuel Ornelas	The ASEAN Free Trade Agreement: Impact on Trade Flows and External Trade Barriers

929	Dan Anderberg Arnaud Chevalier Jonathan Wadsworth	Anatomy of a Health Scare: Education, Income and the MMR Controversy in the UK
928	Christos Genakos Mario Pagliero	Risk Taking and Performance in Multistage Tournaments: Evidence from Weightlifting Competitions
927	Nick Bloom Luis Garicano Raffaella Sadun John Van Reenen	The Distinct Effects of Information Technology and Communication Technology on Firm Organization
926	Reyn van Ewijk	Long-term health effects on the next generation of Ramadan fasting during pregnancy
925	Stephen J. Redding	The Empirics of New Economic Geography
924	Rafael Gomez Alex Bryson Tobias Kretschmer Paul Willman	Employee Voice and Private Sector Workplace Outcomes in Britain, 1980-2004
923	Bianca De Paoli	Monetary Policy Under Alternative Asset Market Structures: the Case of a Small Open Economy
922	L. Rachel Ngai Silvana Tenreyro	Hot and Cold Seasons in the Housing Market
921	Kosuke Aoki Gianluca Benigno Nobuhiro Kiyotaki	Capital Flows and Asset Prices
920	Alex Bryson John Forth Patrice Laroche	Unions and Workplace Performance in Britain and France
919	David Marsden Simone Moriconi	'The Value of Rude Health': Employees' Well Being, Absence and Workplace Performance
918	Richard Layard Guy Mayraz Stephen Nickell	Does Relative Income Matter? Are the Critics Right?
917	Ralf Martin Laure B. de Preux Ulrich J. Wagner	The Impacts of the Climate Change Levy on Business: Evidence from Microdata